World Bank loans for India

1852. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether India is presently getting a blend of soft ideal loans and quasi-commercial World Bank loans;

(b) whether this loan package contains a new US$130 million to modernize obsolete thermal power stations;

(c) whether this package also contains a proposed US$3.2 billion for recapitalising public sector banks; and

(d) whether Government would reconsider its decision to borrow funds from World Bank to prop up a still flawed banking system rather than raising funds from debt market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) India is taking loans from the International Bank for Reconstruction and Development (IBRD) and credit (soft loan) from the International Development Association (IDA) of the World Bank.

(b) A project titled Coal fired Generation Rehabilitation Project has been approved by the Board of the World Bank on June 18, 2009 for an IBRD loan of US$ 180 million and Global Environment Facility Grant of US$ 45.40 million. This project involves renovation of three thermal power plants situated in the States of West Bengal, Maharashtra and Haryana.

(c) Yes Sir. To enable the public sector banks (PSBs) to meet credit requirements of the economy while maintaining a healthy and comfortable level of regulatory capital to risk-weighted assets ratio, a proposal has been sent to the World Bank.

(d) No Sir. The assessment of the Indian financial system during 2007-08 done by the Reserve Bank of India shows that the banking sector in India continues to be healthy, sound and resilient.

Loans to industries

1853. SHRI MOHD. ALI KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a recent survey of 300 units having turnover between Rs. 1 crore and Rs. 40,000 crore had revealed that besides the Small and Medium Enterprise (SME) sector, even bigger industries were facing problems securing easy loans;

(b) if so, the details thereof; and

(c) the steps being taken to give more loans to industries in each State, especially in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) As per information made available by Indian Banks' Association (IBA), in the

second and early third quarter of 2008 banks faced acute liquidity crunch, as a result of which the industries had some difficulty in securing loans. However, since the beginning of 2009, the situation has eased off and banks now have better liquidity position. Banks have now increased their credit portfolios considerable since then.

(c) In October 2008, RBI advised the banks to review all cases where banks have been averse to disbursing working capital limits and term loans (including short-term loans) against the sanctioned limits where drawing power is available and permit drawal of sanctioned limits, guided by their usual commercial judgment.

Fake currency notes in ATMs

1854. SHRI KUMAR DEEPAK DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the consumers are often facing trouble when they withdraw money from Automated Teller Machines (ATMs) of various Banks which provided fake currency notes to them; and

(b) the steps taken by Government to protect such innocent people and to protect the interests of depositors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI) has reported that few instances of counterfeit currency being dispensed through ATMs has come to their notice.

To protect customers and depositors interest, various steps have been taken by Government/RBI, which include, issue of directions/guidelines to banks as follows.

(i) To disburse only sorted and genuine notes over their counters and through ATMs.

(ii) Note Sorting Machines to be installed at all the currency chest maintaining branches and 210 non chest branches to enable banks to detect counterfeit notes at the entry level.

(iii) To establish Forged Note Verification Cells at the Head Offices of the Banks to take effective steps to deal with counterfeiting.

(iv) To impound the counterfeit notes and lodge FIR with Police Authorities.

Further, the Reserve Bank of India has also been conducting training programs for employees/officers of banks and other organizations handling large amount of cash. RBI has also been popularizing the security features of the bank notes through its website, posters displayed at branches of the bank etc. A film depicting the security features of a genuine note has also been released in theatres besides being exhibited by Regional Offices of RBI at various exhibitions, bus stations/railway stations etc.